

PROPOSED LEASE

**STATE OF NEW JERSEY
DEPARTMENT OF ENVIRONMENTAL PROTECTION
DIVISION OF PARKS AND FORESTRY**

LEASE AGREEMENT

THIS AGREEMENT, made the _____ day of _____ in the year Two Thousand and Ten (2010).

**BETWEEN THE STATE OF NEW JERSEY
DEPARTMENT OF ENVIRONMENTAL PROTECTION
DIVISION OF PARKS AND FORESTRY
501 EAST STATE STREET
P. O. BOX 404
TRENTON, NEW JERSEY 08625-0404**

hereinafter referred to as Landlord,

AND

hereinafter referred to as Tenant.

WHEREAS, Landlord owns the Andover-Aeroflex Airport, located in the Township of Andover, County of Sussex, State of New Jersey as further described herein; and

WHEREAS, pursuant to the Request for Proposal issued on _____ by the Landlord for a tenant to lease space within the Andover-Aeroflex Airport for the operation of a **Fixed Wing Aircraft Flight and/or Ground School** (the "RFP"), a copy of which is attached hereto and made part hereof as Exhibit A, Tenant wishes to enter into this Lease Agreement; and

WHEREAS, the Landlord, subject to the terms set forth in the RFP, is willing to enter into this Lease Agreement under the provisions, covenants, terms, and conditions hereinafter described, which shall be consistent with the terms set forth in Tenant's proposal submitted in response to the RFP ("Bid Proposal"), a copy of which Bid Proposal is attached hereto and made a part hereof as Exhibit B; and

NOW THEREFORE, in consideration of payment by Tenant to Landlord or rent as hereinbelow provided and the mutual covenants hereinafter made, the parties hereto agree as follows:

THAT, IN ACCORDANCE with the provisions of N.J.S.A. 13:1L-1 et seq., Landlord does hereby lease to Tenant, and Tenant does hereby accept a lease for the term hereinbelow provided:

ALL that certain space consisting of approximately **714 square feet of utility bay space and approximately 3,009 square feet of hangar bay space** located in the Andover-Aeroflex Airport, 2 Airport Road, Andover, New Jersey ("Leased Premises"). The Leased Premises are identified more particularly on the Lease Map attached to and made a part of this Lease as Exhibit C.

Landlord and Tenant hereby mutually covenant and agree as follows:

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1. TERM

A. This term of this Lease Agreement shall commence on the Effective Date of this Lease Agreement which, for the purpose hereof, shall be the date on which the Landlord signs the Lease Agreement, as indicated by the date on the first page of the Lease Agreement. Tenant shall lease the Leased Premises during the term of this Lease Agreement, beginning on the Effective Date and continuing for a period of five (5) years (the "Initial Term") from that date until the expiration of the Lease Agreement ("Expiration Date"), unless the Lease Agreement shall end sooner pursuant to any of the terms, covenants, or conditions herein provided or pursuant to law. The Landlord may terminate this Lease Agreement in accordance with the termination provisions as contained herein, in the RFP, or in accordance with applicable law. In the event of such termination, after expiration of the notice period, Tenant shall not be permitted to enter the Leased Premises without accompaniment of a representative of the Landlord.

B. Provided that no event of default has occurred and is continuing, Tenant may request that the term of this Lease Agreement be renewed for an additional five (5) year period (the "Renewal Term") by giving Department written notice of Tenant's request to renew no less than one hundred and eighty (180) days prior to the expiration of the Initial Term of this Lease Agreement. Landlord reserves the right to disapprove renewal of this Lease Agreement if Landlord determines that Tenant has not satisfactorily complied with the terms, covenants, or conditions herein provided or pursuant to law, or that continuation of this Lease Agreement is not consistent with reasonably anticipated plans for development or use of the Andover Aeroflex Airport by Department. In the event that Tenant's request for renewal is not approved by Landlord on or before sixty (60) days prior to the scheduled expiration date of this Lease Agreement, said request shall be deemed to have been denied, and this Lease Agreement shall expire as herein provided. The Initial Term and the Renewal Term are hereinafter collectively referred to as the "Term." This Lease Agreement shall not be renewed upon the expiration of the Renewal Term. Tenant shall not continue occupying the Leased Premises beyond the expiration of the Renewal Term except upon execution of a new Lease Agreement or as provided for in Paragraph 33 hereof.

2. RENT

A. Tenant shall pay to Landlord an annual rent ("Rent") in the amount of _____ Dollars (\$ _____), to be paid in monthly installments on the first (1st) day of each month in the amount of \$ _____. If the Lease Agreement is renewed, rent shall be increased each year of the Renewal Term by three percent (3%), beginning in the first year of the Renewal Term.

B. All Rent shall be paid by check made payable to "Treasurer-State of New Jersey" and sent to:

New Jersey Forest Fire Service
P.O. Box 709
Andover, NJ 07821

C. Any payment of Rent not made on or before the date provided in Subparagraph 2A hereof shall be considered past due. All past due amounts shall, as Additional Rent, be assessed a monthly penalty of one and one-half percent (1.5 %) of the total amount due calculated on the tenth (10th) day of each month.

D. In the event any check for payment is returned to Landlord, all future compensations shall be made by Certified or Cashier Checks only.

3. ADDITIONAL RENT

A. Where expressly provided herein, the cost of Tenant's compliance with this Lease Agreement shall constitute "Additional Rent."

B. If Tenant fails to comply with any agreement in this Lease Agreement, Landlord may do so on behalf of Tenant. Landlord may charge the cost of compliance to Tenant as

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Additional Rent, which shall include reasonable attorney's fees incurred by Landlord as a result of Tenant's violation of any agreement contained in this Lease Agreement.

C. The Additional Rent shall be due and payable as rent within thirty (30) days after written demand thereof by Landlord. Nonpayment of Additional Rent gives Landlord the same rights as if Tenant failed to pay the Rent.

4. PURPOSE

A. Tenant shall not use or occupy the Leased Premises for any purpose other than for a fixed wing aircraft flight instruction and/or ground school.

B. Tenant shall not use or allow or permit others to use the Leased Premises for any purpose or in any manner other than as expressly provided herein. No use or manner of use shall be implied from the purposes expressed herein. Tenant shall not conduct or allow any use that would in any way cause damage to all or any part of the Leased Premises or any other part of the Andover-Aeroflex Airport or constitute a public or private nuisance or otherwise disturb the quiet enjoyment of another tenant or occupant of the Airport. Without limitation: (i) no bicycles or animals of any kind, with the exception of animals used to assist the handicapped, shall be brought into or kept in or about the Leased Premises; (ii) no cooking shall be done on the Leased Premises; (iii) Tenant shall not cause or allow any unusual or objectionable odors or noise to be produced upon or permeate from the Leased Premises; and (iv) Tenant shall not use any apparatus, machinery, or device in or about the Leased Premises that will produce noise or vibration of the intensity that would disturb other occupants or tenants or that requires electricity, water, or other utility use in excess of capacity of the utility systems serving the Leased Premises. Tenant shall not connect with electric wires, water pipes, or ventilation ducts or with any apparatus, machinery, or device without first obtaining Landlord's express written approval.

5. ALTERATIONS, MAINTENANCE, CARE, REPAIR AND CONDITION OF LEASED PREMISES

A. Tenant agrees that the Leased Premises are in tenantable and good condition, that Tenant shall take good care of the Leased Premises, and that the Leased Premises shall not be altered, repaired, painted, decorated, or changed without the written consent of Landlord. Tenant further agrees that, unless otherwise provided by written agreement, all alterations, improvements, and changes that may be required will be done either by or under the direction of Landlord, but at the cost of Tenant. These alterations, improvements, and changes shall be the property of Landlord without payment of any compensation therefore to Tenant. Any alterations, improvements, and changes will remain upon and be surrendered with the Leased Premises, except, however, that at Landlord's option, Tenant shall, at Tenant's expense when surrendering the Leased Premises, remove all partitions, counters, railings, etc., installed in the Leased Premises by Tenant and shall repair all damage to the Leased Premises caused by said removal.

B. Tenant shall commit no act of waste. Tenant shall take good care of the Leased Premises, the fixtures, and the appurtenances on the Leased Premises. Upon the termination or expiration of this Lease Agreement, Tenant will surrender the Leased Premises to Landlord in as good condition and repair, as reasonable and proper use of the Leased Premises will permit.

C. Landlord shall make all necessary repairs to the Leased Premises, except that Tenant shall pay for all damage to the Leased Premises and/or to any other part of the Andover-Aeroflex Airport where the repair has been made necessary by misuse or neglect by Tenant or Tenant's agents, servants, visitors or licensees. All repairs of damage to the Leased Premises and/or the Proprietary House shall restore the affected property to the appearance, condition, and utility of said property immediately prior to the damage.

D. Tenant shall, in the use and occupancy of the Leased Premises, conform to all laws, orders and regulations of the federal, State and local governments pertaining to the Andover-Aeroflex Airport, the Leased Premises, and Tenant's use and occupancy of the Leased Premises.

E. Tenant shall, at its sole cost and expense, keep and maintain the Leased Premises in a neat, clean and sanitary condition. Tenant shall keep the Leased Premises free of trash and be

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responsible for the recycling of all garbage, rubbish and other waste. Tenant shall participate in and comply with all recycling programs in effect in Andover Township, Sussex County. Tenant shall be responsible for the collection and removal of all trash, garbage, rubbish and other waste from the Leased Premises to a dumpster or other facility provided by Landlord. Landlord shall be responsible for disposal costs.

F. Tenant shall not use or permit the storage of any flammable substances, such as illuminating oils, candles, oils, lamps, benzene, naphtha or any other substances prohibited in standard policies of fire insurance companies doing business in the State of New Jersey on the Leased Premises without first obtaining the express written approval thereof and subject to such terms and conditions as may be required by Landlord.

G. The sidewalk entrances, passages, courts, elevators, vestibules, stairways, corridors and halls shall not be obstructed or encumbered by Tenant or used for any purpose other than ingress and egress to and from the Leased Premises.

H. The utility sinks and other plumbing fixtures shall not be used for any purposes other than those for which they were constructed and no sweepings, rubbish, rags, or other substances shall be placed therein. Tenant shall, at Tenant's sole cost and expense, repair all damages to any fixture resulting from any misuse thereof by Tenant or Tenant's servants, employees, agents, visitors or licensees.

I. No curtains, blinds, shades, or screens shall be attached to or hung in or used in connection with any window or door on the Leased Premises without first obtaining the express written approval of Landlord. Such curtains, blinds, shades, or screens or other fixtures approved by Landlord shall be of a quality, type, design, and color approved by Landlord and shall be installed in the manner approved by Landlord.

J. The sashes, sash doors, skylights, windows, and doors that reflect or admit light and air into the halls, passageways or other public common areas of the Andover-Aeroflex Airport shall not be covered or obstructed by Tenant in any mode or manner. No bottles, parcels or other articles shall be placed on the windowsills.

K. Tenant shall, before closing and leaving the Leased Premises and as may be required by weather conditions, assure that all windows are closed. Tenant shall not leave the windows open when it rains. Tenant shall be liable for any injury sustained by other tenants and/or Landlord for damage to paint or plastering, or damage otherwise caused to the Andover Aeroflex Airport, resulting from Tenant's failure to close all windows in the Leased Premises.

L. Tenant shall not place or allow any kind of sign to be placed at or about the entrance to the Leased Premises, any other part of same, and/or any part of the Andover-Aeroflex Airport, except in or at such place or places as may be indicated by Landlord and consented to by Landlord in writing. If Landlord or Landlord's representatives shall deem it necessary to remove any such sign or signs in order to paint or to make any other repairs, alterations or improvements in or upon the Leased Premises or the Andover-Aeroflex Airport, Landlord shall have the right to do so, providing the sign or signs shall be removed and replaced at Landlord's expense whenever the said repairs, alterations or improvements have been completed.

M. No furniture, freight, or equipment of any kind may be brought into the Andover-Aeroflex Airport without first obtaining Landlord's consent. Landlord shall direct and designate the times and manner of moving furniture, freight or equipment into or out of the building. Landlord shall have the right to prescribe the weight, size, and position of all safes and other heavy files, equipment and furniture brought into the Andover-Aeroflex Airport. Landlord further has the right to prescribe the times and manner of moving such items into and out of the building. If Landlord considers it necessary, safes or other heavy files, equipment and furniture shall be installed or located to distribute the weight. All damage to the Andover-Aeroflex Airport and/or Leased Premises caused by moving, installing or maintaining a safe, or other heavy files, equipment and furniture shall be repaired at Tenant's sole cost and expense. Landlord reserves the right to prohibit the installation or require the removal of any safes, or other heavy files, equipment or furniture.

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6. UTILITIES

Landlord shall be responsible for the payment of all utility services for the Leased Premises, except for telephone and other communications services.

7. INDEMNIFICATION

A. Tenant shall, for itself, its successors, and assigns, assume all risks and liabilities arising out of Tenant's possession, operation, maintenance, and improvement of the Leased Premises. Tenant covenants to defend, protect, indemnify, and save harmless Landlord and hereby releases Landlord and each of its officers, agents, employees, successors, and assignees from and against any and all such liabilities, losses, damages, costs, expenses (including reasonable attorney's fees and expenses), causes of action, suits, claims, demands, or judgments of every nature arising from or claimed to arise, in whole or in part, in any manner out of, be occasioned by, or result from:

- (i) Any injury to, or the death of, any person in or on, or any damage to property which occurs in, on, or about the Leased Premises, or in any manner growing out of or connected with the use, nonuse, condition, or occupancy of the Leased Premises;
- (ii) Violation of any agreement or condition of this Lease Agreement by Tenant, its agents, employees, contractors, invitees (express or implied), or anyone claiming by or through Tenant;
- (iii) Violation by Tenant of any contracts, agreements, or restrictions of record concerning the Leased Premises or any federal, State, or local law, ordinance, or regulation affecting the Leased Premises and/or Tenant's possession, use and occupancy thereof; or
- (iv) Any act, error or omission by Tenant, its agents, employees, contractors, invitees (express or implied), or anyone claiming by or through Tenant in the performance of this Lease Agreement.

B. Landlord and Tenant shall, as soon as practicable after a claim has been made against either of them, give written notice thereof to the other, along with full and complete particulars of the claim. If the suit is brought against Landlord, Tenant, or any of their agents, servants, or employees, it shall expeditiously forward or have forwarded to the other every demand, complaint, notice, summons, pleading, or other process received by or then in their possession or the possession of its representatives.

C. Tenant's liability pursuant to this Paragraph shall continue after the termination or expiration of this Lease Agreement with regard to causes of action arising or claimed to arise prior to the termination or expiration hereof and/or obligations of Tenant under this Lease Agreement that survive such termination or expiration.

D. This indemnification is not limited by, but is in addition to, the insurance obligations contained in this Lease Agreement.

E. The provisions of this indemnification clause shall in no way limit the obligations assumed by Tenant under this Lease Agreement, nor shall they be construed to relieve Tenant from any liability or to preclude Landlord from taking any other actions available to it under any provisions of this Lease Agreement or at law or in equity.

F. All claims asserted against the Landlord by the Tenant shall be subject to the New Jersey Tort Claims Act, N.J.S.A. 59:1-1 et seq., and/or the New Jersey Contractual Liability Act, N.J.S.A. 59:13-1 et seq. Nothing in the Lease Agreement shall be construed as a waiver by the Landlord of any warranty, express or implied, or of any remedy at law or in equity.

8. INSURANCE

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A. Tenant shall, at its sole cost and expense, obtain and maintain at all times during the Term of this Lease Agreement, insurance of the types and in the amounts hereinafter provided:

- (i) Comprehensive General Liability policy as broad as the standard coverage form currently in use in the State of New Jersey which shall not be circumscribed by any endorsements limiting the breadth of coverage. The policy shall include an endorsement (broad form) for contractual liability. Limits of liability shall be maintained at the level of One Million (\$1,000,000.00) Dollars for each occurrence of bodily injury and property damage liability;
- (ii) Property insurance to cover loss or damage on an "all risk" of physical loss form of coverage against fire, water, wind, storm, loss, theft, and damage on any structures on the Leased Premises and all fixtures, equipment, and other property attached thereto and/or physically incorporated therein and the contents owned by Tenant and located in or on the Leased Premises. Said insurance shall be in an amount not less than the full value of such structures, fixtures, equipment, and contents. The value of said structures, fixtures, equipment, and contents shall be determined by Tenant using whatever procedures Tenant considers appropriate. Said policy shall be written so as to provide that the insurer waives all right of subrogation against Landlord in connection with any loss or damage covered by the policy;
- (iii) Worker's Compensation applicable to the Laws of the State of New Jersey and Employer's Liability Insurance with limits of not less than One Hundred Thousand (\$100,000.00) Dollars per occurrence for bodily injury liability and One Hundred Thousand (\$100,000.00) Dollars occupational disease per employee with an aggregate limit of Five Hundred Thousand (\$500,000.00) Dollars occupational disease; and
- (iv) Such other insurance and in such amounts as may from time to time be reasonably required by Landlord.

B. All insurance coverage required to be maintained by Tenant in accordance with this Lease Agreement shall be issued by an insurance company authorized and approved to do business in New Jersey and shall name the State of New Jersey, Department of Environmental Protection, as an additional insured.

C. When Tenant returns this Lease Agreement, signed by Tenant, to Landlord for signature, Tenant shall provide Landlord with a certificate of insurance evidencing that Tenant has obtained all insurance coverage in accordance with this Lease Agreement. A copy of the certificate of insurance shall be attached to this Lease as Exhibit D. Failure to provide a certificate of insurance at the time of Tenant's execution of this Lease Agreement shall render this Lease Agreement null and void. The certificate of insurance shall provide for thirty (30) days' notice, in writing, to Landlord prior to any cancellations, expiration, or non-renewal during the term the insurance is required to be maintained in accordance with this Lease Agreement. Tenant also shall provide Landlord with valid certificates of renewal of the insurance upon the expiration of the policies so that Landlord is continuously in possession of current documentation that Tenant has obtained and is maintaining in full force and effect all insurance required under this Lease Agreement. Tenant also shall, upon request, provide Landlord with copies of each policy required under this Lease Agreement certified by the agency or underwriter to be true copies of the policies provided by Tenant.

D. Tenant expressly understands and agrees that any insurance protection required by this Lease Agreement shall in no way limit Tenant's indemnification obligations assumed in this Lease Agreement and shall not be construed to relieve Tenant from liability in excess of such coverage, nor shall it preclude Landlord from taking such other actions as are available to it under any provision of this Lease Agreement and as otherwise provided for at law or in equity.

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E. In the event that (i) Tenant fails or refuses to renew any of its insurance policies or to provide Landlord with timely certificates of insurance showing that Tenant is maintaining insurance coverage in full force and effect to the extent required by this Lease Agreement or (ii) any policy is canceled, terminated, or modified so that the insurance does not meet the requirements of this Lease Agreement, Landlord shall consider Tenant to be in material default and terminate this Lease Agreement under Paragraph 18 herein.

F. The limits of insurance policies described in this Paragraph shall be reviewed by Landlord and Tenant every two (2) years. Tenant shall increase the limits of said policies to meet changed circumstances including, but not limited to, changes in the United States Consumer Price Index and changes indicated by the course of plaintiffs' verdicts in personal injury actions.

9. REPORT OF INJURY

Any injury which shall occur during any activity hereunder to Tenant, its servants, agents, or invitees requiring medical intervention of which Tenant is notified, shall be reported by Tenant to Landlord in writing within twenty-four (24) hours of the incident.

10. BUILDING SERVICES – LANDLORD AND TENANT – INTERRUPTION

A. Landlord shall furnish the services for which the Andover-Aeroflex Airport is equipped, as set forth below, to the extent that the existing facilities permit, and when, in the sole judgment of Landlord, weather conditions require. Landlord shall as an incident to this Lease Agreement furnish, supply and maintain the following at Landlord's cost and expense (included in the rent): (i) hot and cold water for lavatory purposes; (ii) sewer; (iii) exterior building and common areas maintenance; (iv) snow and ice removal; (v) painting and cleaning, stripping, sealing, repairing, replacing, and remarking paved and unpaved surfaces, curbs, sidewalks, parking areas and bumpers; (vi) trash removal; (vii) maintenance, repair, and replacement of all utilities, pipes, conduit, lines, etc., at the Andover -Aeroflex Airport.

B. No person or persons other than those approved by Landlord shall be permitted to enter the Andover-Aeroflex Airport to clean it. Tenant shall not cause any unnecessary labor due to Tenant's carelessness or indifference to the preservation of good order and cleanliness. Landlord shall not be responsible to any Tenant for loss of property on the Leased Premises, however occurring, or for damage to Tenant's personal property caused by the janitor or any other person.

C. Tenant shall not use any electrical equipment which in Landlord's reasonable opinion will overload the wiring installations or interfere with the Landlord's reasonable use of the installations.

D. Landlord agrees to provide and pay for electric service to the Leased Premises for usual office requirements.

E. Landlord reserves the right to suspend temporarily any service for the purpose of inspection, repair, replacement or improvement of facilities. Interruption or curtailment of services maintained in the Andover-Aeroflex Airport, if caused by strikes, mechanical difficulties, or causes beyond Landlord's control, whether similar or dissimilar to those enumerated, will not entitle Tenant to any claim against Landlord or to an abatement of rent. These interruptions will not constitute constructive or partial eviction unless Landlord fails to take reasonable measures to restore service without undue delay. If the Leased Premises are rendered untenable, in whole or in part, for a period of five (5) business days due to repairs, replacements, or additions other than those made with Tenant's consent or caused by misuse or neglect by Tenant or Tenant's agents, servants, visitors, or licensees, there will be a proportionate abatement of rent during the period of untenability.

11. SECURITY

A. Tenant shall, at Tenant's sole cost and expense, be completely responsible for all security of the Leased Premises against burglary, theft, vandalism and unauthorized entry. Except as otherwise provided herein, Landlord has no obligation to Tenant for security of the Leased

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Premises and shall not be responsible to Tenant, its agents, servants, employees, visitors, or contractors for personal injury, death, and/or loss, damage or destruction of supplies, equipment or other personal property on the Leased Premises.

B. Landlord reserves the right to refuse admission to the Andover-Aeroflex Airport after 9:00 p.m. daily to any person or persons who, in Landlord's discretion, cannot furnish satisfactory identification and justification for access to the Airport and/or Leased Premises. Landlord may prescribe hours and intervals during the night, on Sundays, and on holidays when all persons entering and departing the Andover-Aeroflex Airport shall be required to enter their name, the office which they are visiting and/or leaving, and the time of entrance and/or departure in a register provided for that purpose by Landlord. Tenants shall have access to all public areas within the airport facility from 9 AM to 5 PM daily.

C. No additional locks or bolts of any kind shall be placed upon any of the doors or windows by Tenant, nor shall Tenant make any change to the existing locks or mechanisms. Tenant shall, upon the termination of this Lease, return to Landlord all keys for offices and restrooms either furnished to or otherwise procured by Tenant. In the event of the loss of any keys furnished by Landlord, Tenant shall pay to Landlord the replacement cost thereof.

12. LANDLORD'S ACCESS TO LEASED PREMISES – RIGHT OF INSPECTION AND REPAIR

Landlord shall retain a pass key to the Leased Premises and, with notice of not less than two (2) days, Tenant shall permit Landlord and its agents to enter the Leased Premises at reasonable times and as Landlord deems necessary or desirable to inspect, to clean windows, and to perform other janitorial services to maintain the Andover-Aeroflex Airport. In addition, Tenant shall permit Landlord and its agents to enter the Leased Premises to make repairs, alterations, replacements, or additions in, to, on, or about the Leased Premises or any other premises comprising part of the Andover-Aeroflex Airport and to erect scaffolding, props, or other mechanical devices. Notice is not required in the case of an emergency. Tenant shall have no claim or cause of action against Landlord because of entry for the reasons articulated in this Paragraph.

13. ASSIGNMENT OR SUBLEASE

Tenant shall not, under any circumstances, sublease the whole or any part of the Leased Premises or assign or transfer this Lease Agreement or Tenant's responsibilities under this Lease Agreement.

14. COMPLIANCE WITH LAWS AND LANDLORD'S RULES

A. Tenant shall, at its sole cost and expense, comply with all statutes, ordinances, rules, orders, regulations, and requirements of federal, State, and local governments and of any and all of their departments and bureaus applicable to the Leased Premises, for the correction, prevention, and abatement of nuisances, violations, or other grievances in, upon, or connected with the Leased Premises during the term of this Lease Agreement, and which are directly related to Tenant's use of the Leased Premises. Tenant shall also promptly comply with and execute all rules, orders, and regulations of the Board of Fire Underwriters, or any other similar body, for the prevention of fires.

B. Tenant shall observe and comply with any rules and regulations that Landlord may prescribe through written notice to Tenant for the safety, care, and cleanliness of the Andover-Aeroflex Airport and the Leased Premises, and for the comfort, quiet, and convenience of other occupants of the building. All rules and regulations prescribed by Landlord are included in and made a part of this Lease Agreement by reference.

15. RECORDS AND AUDIT

A. Tenant shall maintain complete and adequate financial records that will allow Tenant to prepare financial statements in accordance with generally accepted accounting principles for all Total Gross Revenue and all expenditures incurred in Tenant's operations under this Lease. Tenant shall retain such records for at least six (6) years from the expiration or termination of this Lease. Such records shall be made available for audit during normal business hours by an

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authorized representative of Landlord to determine the adequacy of Tenant's financial management systems and internal control systems established to meet the terms and conditions of this Lease and to ensure that the financial statements are fairly presented in accordance with generally accepted accounting principles.

B. Tenant, its contractors and subcontractors, shall provide Landlord through an authorized representative reasonable access to and the right to examine all records, books, papers or documents reasonably related to Tenant's possession, occupation and use of any part of the Leased Premises, and any project, services and work being performed pursuant to any contract or subcontract. Proper facilities shall be furnished for access and inspection.

16. DAMAGE TO THE AIRPORT

A. If the Andover-Aeroflex Airport is damaged by fire or other cause to the extent that the cost of restoration, as reasonably estimated by Landlord, will equal or exceed twenty-five percent (25%) of the replacement value of the building (exclusive of foundations) just prior to the occurrence of the damage, then Landlord may, no later than ninety (90) days following the damage, give Tenant notice of election to terminate this Lease Agreement. If, as a result of such damage, Tenant determines that the Leased Premises are not reasonably usable for the purposes for which they are leased under this Lease Agreement, then Tenant may, no later than ninety (90) days following the damage, give Landlord a notice of election to terminate this Lease Agreement. In the event of election by either Landlord or Tenant, this Lease Agreement shall be deemed to terminate on the tenth (10th) day after the giving of notice, and Tenant shall surrender possession of the Leased Premises within said ten (10) day period. The Rent and any Additional Rent will be apportioned as of the date of the surrender of the Leased Premises. The rent paid for any period beyond the surrender date will be repaid to Tenant. If the cost of restoration as estimated by Landlord amounts to less than twenty-five percent (25%) of the replacement value of the building, or if despite the cost Landlord does not elect to terminate this Lease Agreement, Landlord shall restore the building and the Leased Premises with reasonable promptness, subject to the availability of adequate funds from insurance proceeds or specifically appropriated therefore, subject to delays beyond Landlord's control, and subject to delays in the making of insurance adjustments between Landlord and its insurance carrier. Tenant shall have no right to terminate this Lease Agreement except as provided herein. Landlord shall not be required to restore or replace fixtures and improvements owned by Tenant. Any provision herein contained to the contrary notwithstanding, this Lease Agreement shall not be construed to create any obligation upon Landlord to restore the building if Landlord reasonably determines that the cost of restoration will exceed the insurance proceeds.

B. In the event that use of the Leased Premises is affected by damage to the Andover-Aeroflex Airport, there will either be an abatement or an equitable reduction in rent, depending on the period and the extent to which the Leased Premises are not reasonably usable for the purpose for which they are leased under this Lease Agreement. If the damage is Tenant's fault or the fault of Tenant's agents, servants, visitors, or licensees, Tenant will not be entitled to abatement or reduction of rent.

17. WAIVERS OF SUBROGATION

Notwithstanding the provisions of Paragraph 5 herein, in the event of loss or damage to the Andover-Aeroflex Airport, the Leased Premises, and/or its contents, each party will first look to insurance in its favor before making a claim against the other party. Each party, to the extent permitted, for itself and its insurers, hereby waives all insured claims against the other party.

18. LANDLORD'S REMEDIES ON DEFAULT

A. Tenant shall comply with the terms and conditions of this Lease Agreement. The failure to comply, and/or the existence of any condition which Landlord determines to be in violation of the terms and conditions of this Lease Agreement, shall be considered a material breach, in which event Landlord may terminate this Lease Agreement as follows:

- (i) Tenant's failure to: (a) pay, when due, any Rent, Additional Rent, or other sums required to be paid by Tenant hereunder; and/or (b) obtain and maintain all the

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insurance coverage on its part to be obtained and maintained under this Lease Agreement or to provide Landlord with certificates of insurance documenting that Tenant has obtained and is maintaining such insurance coverage and continuation of such failure under (a) or (b) above for a period of five (5) days after Tenant's receipt of written notice thereof from Landlord served by Certified Mail, Return Receipt Requested. If such violation is not cured within said five (5) day period, termination shall, in the discretion of Landlord, be effective at the conclusion thereof; or

- (ii) Tenant's failure to perform and/or comply with any of the other covenants, agreements, and conditions contained in this Lease Agreement. Upon receipt of a written notice of termination for violation served by Certified Mail, Return Receipt Requested, Tenant shall have fifteen (15) days to begin to cure such violations as Landlord shall describe therein and shall have an additional fifteen (15) days to substantially cure said violations. If the violations are not substantially cured within said thirty (30) day period, termination shall, in the discretion of Landlord, be effective at the conclusion thereof. In the event that the conditions which give rise to the default are of such nature that they cannot reasonably be remedied within the notice period, then such default shall not be deemed to continue so long as Tenant, after receiving such notice, proceeds to remedy the default as soon as reasonably possible within the notice period and continues to diligently take all steps necessary to complete such remedy within a reasonable period of time.

After Landlord has terminated this Lease Agreement, Landlord may, at any subsequent time, resume possession of the Leased Premises by any lawful means and remove Tenant or other occupants and their effects.

- B. If Landlord fails to cure any material default of Landlord, of which Landlord has been notified by Tenant in writing and within the time reasonably required to cure such default, Tenant shall have the right to terminate this Lease Agreement upon providing thirty (30) days' written notice of Tenant's intention to terminate.

19. RIGHT TO LOCK PREMISES ON DEFAULT

In the event that the relationship between Landlord and Tenant lawfully ceases or terminates by the eviction of Tenant on summary proceedings, Landlord, in addition to Landlord's other rights hereunder, shall have the right to lock the Leased Premises, and Landlord shall have the right to sell any of the fixtures, goods, and materials remaining at the Leased Premises and apply the proceeds thereof against unpaid rent. No action under this Paragraph shall be deemed to waive Landlord's rights as set forth in other paragraphs of this Lease.

20. CONDITIONS OF LANDLORD'S LIABILITY

Tenant shall not be entitled to claim constructive eviction from the Leased Premises unless Tenant has first notified Landlord in writing of the conditions giving rise to the eviction, Tenant's complaints are justified, and Landlord has failed within a reasonable time after receipt of notice to remedy the conditions.

21. WAIVER - CUMULATIVE REMEDIES

A. Failure of either party to complain of any act or omission on the part of the other party, no matter how long same may continue, shall not be deemed a waiver by said party of any of its rights hereunder. No waiver by either party at any time, express or implied, of breach of any provision of this Lease Agreement shall be deemed waiver of breach of any other provision or a consent to any subsequent breach of the same or any other provision. The consent to or approval of any action on any one occasion by either party hereto shall not be deemed a consent to or approval of any other action on the same or any subsequent occasion.

B. Any and all rights and remedies which either party may have under this Lease Agreement or by operation of law, either at law or in equity, by reason of a breach by the other

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party, shall be distinct, separate, and cumulative and shall not be deemed inconsistent with any other right or remedy, and any two or more or all of such rights and remedies may be exercised at the same time.

C. Acceptance by either party of any of the benefits of this Lease Agreement with knowledge of any breach thereof by the other party shall not be deemed a waiver by the party receiving the benefit of any rights or remedies to which it is entitled hereunder or by law.

22. LIENS OR ENCUMBRANCES

A. Tenant shall have no power to do any act or make any contract which may create or be the foundation for any lien, mortgage, or other encumbrance upon the interest of Landlord in the Leased Premises. If Tenant should cause any alterations, rebuilding, replacements, changes, additions, improvements, or repairs to be made to the Leased Premises, or if Tenant should cause any labor to be performed or material to be furnished therein, thereon, or thereto, neither Landlord nor the Leased Premises shall under any circumstances be liable for the payment of any expense incurred or for the value of any work done or material furnished, but all such alterations, rebuilding, replacements, changes, additions, improvements, repairs, labor, and material, shall be made, furnished, and performed at Tenant's expense, and Tenant shall be solely and wholly responsible to the contractors, laborers, and materialmen furnishing and performing such labor and material.

B. If, because of any act or omission (or alleged act or omission) of Tenant, any mechanic's or other lien, charge, or order for the payment of money shall be filed against the Leased Premises or against Landlord (whether or not such lien, charge, or order is valid or enforceable as such), Tenant shall, at its own cost and expense, cause the same to be cancelled and discharged of record or bonded within ten (10) days after notice to Tenant of the filing thereof.

C. Tenant shall, upon completion of any improvement(s), provide Landlord with a signed copy of any and all lien(s), said statement indicating that all contractors have been paid and all lien(s) have been discharged.

23. TAXES AND ASSESSMENTS

Tenant shall, as Additional Rent hereunder during the term of this Lease Agreement, promptly pay when due all taxes and/or assessments, together with interest and penalties thereon, that are levied upon or assessed with respect to the Leased Premises or the leasehold estate hereby created.

24. BANKRUPTCY

If, at any time during the Term of this Lease Agreement, Tenant shall:

- (i) apply for or consent to the appointment of a receiver, trustee, or liquidator of all or a substantial part of its assets;
- (ii) admit in writing its inability to pay its debts as they mature;
- (iii) make a general assignment for the benefit of creditors;
- (iv) be adjudicated bankrupt or insolvent; or
- (v) file a voluntary petition in bankruptcy or a petition or an answer seeking reorganization or an arrangement with creditors to take advantage of any insolvency law or any answer admitting the material allegations of a petition filed against it in any bankruptcy, reorganization, or insolvency proceedings, or corporate or other action shall be taken by it for the purpose of effecting any of the foregoing; or an order, judgment, or decree shall be entered without the application, approval, or consent of Tenant by any court of competent jurisdiction approving a petition seeking reorganization of, or appointing a receiver, trustee, or a liquidator of Tenant or all or a substantial part of its assets and such order, judgment or decree shall continue unstayed and in effect for any period of sixty (60) consecutive days,

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then in any such event, Landlord shall have the right to terminate this Lease Agreement forthwith by written notice to Tenant.

25. NO DISCRIMINATION

A. Tenant shall not discriminate against any person, employee, or applicant for employment because of age, national origin, race, creed, color, disability, sex, or sexual preference. This provision shall include, but not be limited to, the following: employment; upgrading; demotion; transfer; recruitment; recruitment advertising; rates of pay or other forms of compensation; layoff or termination; and selection for training, including apprenticeship.

B. Tenant shall not discriminate on the basis of age, national origin, residence, race, creed, color, disability, sex, or sexual preference in allowing the public access to and use of the Leased Premises.

26. SOLICITATION

Tenant warrants that no person has been employed directly or indirectly to solicit or secure this Lease in violation of the provisions of N.J.S.A. 52:34-19, and that the Laws of the State of New Jersey relating to the procurement and performance of this Lease Agreement have not been violated by any conduct of Tenant, including the paying or giving directly or indirectly of any fee, commission, compensation, gift, gratuity, or consideration of any kind to any State employee, officer, or official.

27. SUPERSEDES – ENTIRE AGREEMENT - AMENDMENTS

This Lease supersedes and cancels all previous leases, agreements, and “special use permits” between Landlord and Tenant covering the Leased Premises and represents the entire agreement between the parties. All negotiations, oral agreements, and understandings are merged herein. This Lease Agreement may be amended, supplemented, changed, modified, or altered only upon mutual agreement of the parties hereto in writing.

28. NOTICES

The parties hereto agree that all submissions, approvals, and notices which may be required under this Lease Agreement shall be forwarded by Certified Mail, Return Receipt Requested, and addressed as follows:

Landlord: State of New Jersey
Department of Environmental Protection
Division of Parks and Forestry
Office of the Director
P.O. Box 404
Trenton, New Jersey 08625-0404

Copy: State of New Jersey
Department of Environmental Protection
Office of Leases
P.O. Box 404
Trenton, New Jersey 08625-0404

Tenant:

Either Landlord or Tenant may, at any time, change such address by mailing to the address above a notice of the change at least ten (10) days prior to such change.

29. END OF TERM

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Upon the expiration, termination, surrender, or declaration that this Lease Agreement is null and void ("End of Term"), Tenant shall:

- (i) immediately cease all occupancy and use of the Leased Premises, vacate, and turnover peaceable possession and use thereof to Landlord. Landlord may at once reenter and remove any and all persons occupying the Leased Premises;
- (ii) at Tenant's sole cost and expense remove all personal property lawfully belonging to and removable by Tenant within the time prescribed in any notice of termination or before the End of Term. If Tenant removes any personal property, Tenant hereby covenants to repair any and all damage which may be caused to the Leased Premises by said removal. If Tenant fails to remove such personal property, Landlord may appropriate the same to its own use without allowing any compensation therefor or may remove the same at the expense of Tenant; and
- (iii) pay to Landlord without demand all Rent, Additional Rent, and other payments accrued to the date of the End of Term.

30. SUCCESSION AND BINDING AGREEMENT

Except as otherwise set forth herein, all of the terms and provisions of this Lease Agreement shall be binding upon and shall inure to the benefit of the successors and assignees of Landlord and Tenant's heirs, executors, administrators, and assigns.

31. NO THIRD PARTY BENEFICIARIES

There shall be no third party beneficiaries of this Lease Agreement, and no person, firm, or entity not a party to this Lease Agreement shall be entitled to claim any right, benefit, or presumption from or estoppel by this Lease Agreement.

32. PEACEFUL ENJOYMENT

Landlord agrees that Tenant, on performing the covenants contained herein, shall peaceably and quietly have, hold, and enjoy the Leased Premises for the Term.

33. HOLDOVER TENANCY

If Landlord permits Tenant to remain in possession of the Leased Premises after expiration of this Lease Agreement without executing a new written lease with Landlord, then Tenant shall occupy the Leased Premises subject to all terms, covenants, and conditions contained in this Lease Agreement. Such holding over by Tenant shall not constitute a renewal or extension of this Lease Agreement. Landlord may, at its option, elect to treat Tenant as one who has not removed at the end of its term and thereupon will be entitled to all the remedies against Tenant provided by law.

34. STATE HOUSE COMMISSION APPROVAL

This Lease Agreement shall not be effective unless Landlord obtains from the State House Commission evidence that the State House Commission has approved the execution of this Lease Agreement for the purposes and subject to the terms and conditions herein provided.

35. CORPORATION - RESOLUTION

A. Prior to the Effective Date of this Lease Agreement, Tenant shall provide Landlord with a copy of Tenant's certificate of incorporation on file with the Secretary of State and a current certificate of standing issued by the Secretary, as attached hereto as Exhibit E.

B. A certified copy of a resolution adopted by the Board of Directors of Tenant, authorizing the execution of this Lease Agreement by Tenant for the purposes and subject to the terms and conditions herein provided, is attached hereto as Exhibit F.

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36. NEGOTIATED DOCUMENT

Each and every provision of this Lease Agreement has been independently, separately, and freely negotiated by the parties as if this Lease Agreement were drafted by all parties hereto. The parties therefore waive any statutory or common law presumption which would serve to have this document construed in favor of or against any party as the drafter hereof.

37. HEADINGS

The article, paragraph, and subparagraph headings throughout this Lease Agreement are for convenience and reference only, and the words contained therein shall in no way be held to explain, modify, amplify, or aid in the interpretation, construction, or meaning of the provisions of this Lease Agreement.

38. SEVERABILITY

If any term or provision of this Lease Agreement, or the application thereof to any person or circumstance shall, to any extent, be determined to be invalid or unenforceable by a court of competent jurisdiction, the remainder of this Lease Agreement, or the application of such term and provision of this Lease Agreement, shall be valid and be enforced to the fullest extent permitted by law.

39. GOVERNING LAW

This Lease Agreement shall be governed by and interpreted in accordance with the Laws of the State of New Jersey.

40. INDEPENDENT PRINCIPAL

Tenant shall, at all times, act as an independent principal and not as an agent or employee of Landlord. Tenant agrees not to enter into any agreement or commitment on Landlord's behalf.

41. PREVAILING WAGE ACT

Without limiting the scope of any other provision of this Lease Agreement, Tenant agrees to comply with the New Jersey Prevailing Wage Act, P.L. 1963, Chapter 150. Tenant also agrees to comply with 42 U.S.C. § 9604 (g)(1). If any conflict exists between the New Jersey Prevailing Wage Law and § 9604 (g)(1), the Tenant must comply with the federal requirements.

42. PAY TO PLAY (if applicable)

A. This Agreement is subject to the provisions of P.L. 2005, c. 51 (N.J.S.A. 19:44A-20.13 et seq.), and compliance with said statute shall be a material term and condition of this Lease.

B. Tenant is advised of its responsibility to file an annual disclosure statement on political contributions with the New Jersey Election Law Enforcement Commission (ELEC) pursuant to N.J.S.A. 19:44A-20.27 (P.L. 2005, c. 271, section 3) if Tenant received contracts in excess of Fifty Thousand (\$50,000.00) Dollars from a public entity in a calendar year. It is Tenant's responsibility to determine if filing is necessary. Failure to so file can result in the imposition of financial penalties by ELEC. Additional information about this requirement is available from ELEC at 888-313-3532 or at www.elec.state.nj.us.

43. ATTACHMENTS

The following are attached to and made a part of this Lease:

Exhibit A – Request for Proposal

Exhibit B – Tenant's Bid Proposal

Exhibit C

Exhibit C - Map of Leased Premises

Exhibit D – Certificate of Insurance

Exhibit E – Certificate of Incorporation

Exhibit F –Resolution

Exhibit G – Notice of Acceptance of Bid Proposal

Exhibit C

IN WITNESS WHEREOF, Landlord and Tenant have duly executed this Lease Agreement effective on the date herein below set forth.

LANDLORD

**STATE OF NEW JERSEY
Department of Environmental Protection**

By: _____
Amy Cradic, Assistant Commissioner
Natural and Historic Resources

Date: _____

ATTEST:

TENANT:

By: _____

By: _____

This Lease Agreement has been reviewed and approved as to form by:

Paula T. Dow
Attorney General
State of New Jersey

By: _____
Lauren J. Trasferini
Deputy Attorney General

Date: _____

STATE HOUSE COMMISSION CERTIFICATION

I HEREBY CERTIFY that on _____, this Lease Agreement was approved by the State House Commission.

Date: _____

Robert J. Shaughnessy
Secretary